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No. 616

IN THE

Supreme Court of the United States

OCTOBER TERM, 1963.

CHICAGO METALLIC MANUFACTURING COMPANY,
Petitioner.

vs.

THE EKCO PRODUCTS COMPANY, INC.,
Respondent.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

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TABLE OF CONTENTS

PAGE

Petition For Rehearing Of Order Denying Petition For Writ Of Certiorari 1

CASES CITED.

Balsham v. Pennsylvania R.R. Co. (1963), 372 U.S. 699 4

Crest Specialty v. Trager (1954), 341 U.S. 912 5

Davis v. Virginian Ry. Co. (1960), 361 U.S. 354 4

Dennis v. Denver & R.G.W. R.R. Co. (1963), ... U.S. ....., 32 U.S. Law Week 4043 4

Gallick v. B. & O. R.R. Co. (1963), 372 U.S. 108 4

Great A. & P. Tea Co. v. Supermarket Equipment Corp. (1950), 340 U.S. 147 5

Harris v. Pennsylvania R.R. Co. (1959), 361 U.S. 15 .. 4

Holstensson v. Corporation (6 Cir., 1963), ... F.2d ....., 139 USPQ 401 3

Michalic v. Cleveland Tankers, Inc. (1960), 364 U.S. 325 4

Shumaker v. Gem Mfg. Co. (7 Cir., 1962), 311 F.2d 273 2

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Petitioner respectfully prays that this Court grant rehearing of its order dated January 6, 1964, denying the petition for writ of certiorari herein, and issue a writ of certiorari to review the judgment of the Court of Appeals for the Seventh Circuit.

The point we make, not previously presented, is this: The judgment in this cause should be reviewed *in the public interest*, because the Court of Appeals is denying to the citizens of the Seventh Circuit the principal safeguard afforded by our patent system against unwarranted monopolies.

Patents, in this country, are granted administratively, solely on the basis of prior-art studies made by a Patent Office that is notoriously understaffed and overworked. Unlike the situation prevailing in most other countries, our patent laws provide no machinery for testing the pro-

priety of an asserted monopoly *before* a patent issues. In our system, the sole means of doing that is through the courts, *after* the patent has issued and been sued upon. Only there, in actions for infringement, can asserted monopolies be appraised in the light of the prior art uncovered by a diligent defendant's thorough search.

Historically, this system has worked well; over the years, the patents surviving judicial scrutiny have, by and large, represented contributions of real merit. But the system, to function, requires that the courts *understand* the nature of patentable invention and the legal significance of prior art. Whenever a court misconceives the law and sustains a worthless patent on unstatutory grounds, the resulting harm goes far beyond unjust injury to the defendant. The court's error saddles on the people at large a monopoly contrary to the public interest and, at the same time, incites other would-be monopolists to aggressive action. As Shakespeare put it in *Merchant of Venice*:

> "'Twill be recorded for a precedent;
> And many an error, by the same example
> Will rush into the state."

By consistently misconceiving and misapplying the law of invention—in a succession of cases, not just this one—the Court of Appeals has given notice that in the Seventh Circuit a patentee's pretensions to monopoly will usually be upheld, however flimsy.*

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* For examples of such cases, see page 26 of our Petition for Certiorari. Another case deserving a place in the list is *Shumaker* v. *Gem Mfg. Co.* (7 Cir., 1962), 311 F.2d 273, wherein a patent on a pair of plastic wind deflectors, for use on the rear of station wagons, was sustained in the face of prior art showing the identical article used singly on automobile hoods and in pairs on motor boats.

Since the filing of our petition for certiorari in this case, a new decision in a sister circuit has dramatically highlighted the error in the Seventh Circuit's concept of invention. We refer to *Holstensson* v. *W-M Corporation* (6 Cir., 1963), ... F.2d ....., 139 USPQ 401.

In that case, striking down a patent previously upheld by a District Court in the Seventh Circuit, the Sixth Circuit Court of Appeals held that a combination patent, to meet the legal test, must exhibit a new, non-obvious, and unexpected result, flowing from a *unique cooperation* among the elements claimed in combination. It was not enough, said the Sixth Circuit, that one of the claimed elements, considered alone, was novel.

How startling is the contrast between that plainly correct judgment and the one here! In this case, the Seventh Circuit sustained a combination patent without even pretending that the claimed elements in conjunction led to any result beyond that readily predictable from prior art. That point, so far as the judging of this case was concerned, just didn't exist. The Seventh Circuit, heedless of the established standards, is mainly guided by its notion as to what was or was not obvious to *the defendant*. Such a standard of patentability, subjective rather than objective, frustrates utterly the public's right to be free of all monopolies save those reflecting original work of real merit.

Standard of invention, in short, is public law, not private law. Error in that field infects the commercial life of the circuit, wrongfully enriches the greedy, and exacts tribute from the whole people, in the form of higher prices born of unjust royalties and suppression of competition.

In an analogous situation involving the right of jury trial in F.E.L.A. cases, this Court has repeatedly reviewed and reversed erroneous judgments of lower courts, and

plainly intends to continue doing so as long as the lower courts refuse to follow its guidelines. *Dennis* v. *Denver & R.G.W. R.R. Co.* (1963), ... U.S. ....., 32 U.S. Law Week 4043; *Basham* v. *Pennsylvania R.R Co* (1963), 372 U.S. 699; *Gallick* v. *B. & O. R.R. Co.* (1963), 372 U.S. 108; *Michalic* v. *Cleveland Tankers, Inc.* (1960), 364 US. 325; *Davis* v. *Virginian Ry. Co.* (1960), 361 U.S. 354; *Harris* v. *Pennsylvania R.R. Co.* (1959), 361 U.S. 15.

In those cases, as here, the specific judgments reviewed were of direct dollars-and-cents interest only to the litigants, but the underlying principle was recognized to be of far-reaching import. Surely, we submit, the public interest in restoring a rational standard of invention to the important commercial states of the Seventh Circuit is at least comparable to that which underlies proper enforcement of the Federal Employers' Liability Act.

In view of the gross and obvious error in the judgment below, we believe this Court's denial of our petition for certiorari may have stemmed from reluctance to burden the docket of this busy Court with a patent case. If this be so, we ask that the Court reconsider its action in the light of Mr. Justice Douglas' concurring opinion in *Harris* v. *Pennsylvania R.R. Co.* (1959), 361 U.S. 15, 17. There it was pointed out that most of the F.E.L.A. cases taken by this Court in recent years have been disposed of summarily, with plenary consideration given to only "slightly more than 1 per year." Under those circumstances, Justice Douglas noted, "Wastage of our time is . . . a false issue."

By that measure, we respectfully suggest, it would be fitting for this Court to allot space on its current docket for a review of this case. Patent litigation represents a large fraction of the business of the United States courts, and standard of invention is without doubt the most important subject in patent law. Yet the last full opinion

rendered by this Court on standard of invention was *Great A. & P. Tea Co.* v. *Supermarket Equipment Corp.* (1950), 340 U.S. 147; and its last decision of any kind going to that issue was *Crest Specialty* v. *Trager* (1951), 341 U.S. 912, summarily disposed of *per curiam* on the authority of *Great A. & P.*

The error permeating this judgment is so plain—indeed virtually confessed in respondent's brief in opposition—that disposition of this case by summary reversal would certainly be appropriate. The public good that would result from it, in setting the Seventh Circuit back on the track, would richly justify the limited expenditure of time required.

The stakes here are high. With earnest conviction that we speak for the people as well as the petitioner, we urge this Court to reconsider its previous action and grant the writ of certiorari.

Respectfully submitted,

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CERTIFICATE OF COUNSEL

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay, and is restricted to grounds specified in Rule 58 of this Court.

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